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Attorneys for Magnolia Park

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

In re:

MAGNOLIA PARK.

Debtor.

Case No. 19-15279-A-11

Chapter 11

DC No. n/a

Date: July 1, 2020

Time: 1:30 p.m.

Place: Dept. A, 5th Floor, Courtroom. 11
2500 Tulare Street,

Fresno, California 93721
Judge: Hon. Fredrick E. Clement

**DEBTOR-IN-POSSESSION'S CHAPTER 11
STATUS CONFERENCE STATEMENT**

Debtor, Magnolia Park, provides the following Chapter 11 Status Conference Statement:

A. Debtor's Current Status.

Debtor still owns and operates Magnolia Park Assisted Living in Visalia, California. Magnolia Park Assisted Living (“Magnolia Park AL”) is a licensed 48-bed assisted living facility. It operates pursuant to a license issued by the State of California, Department of Social Services (“DSS”). That license is specific to



1 Esperanza Hansen, its owner and Debtor's sole shareholder. At the time of filing
2 Magnolia Park AL had 24 residents. As of today, it has 26 residents.

3 Debtor operates Magnolia Park AL on real property formerly owned by a related
4 entity and current debtor, The Magnolia Group, Inc. (19-15278) ("Magnolia Group").
5 The underlying real property was foreclosed in November 2019 and is the subject of an
6 adversary proceeding pending as case no. 2018-01008 in Magnolia Group's case. At the
7 hearing on June 1, 2020, the Court granted a motion by ABLP Properties Visalia LLC
8 for relief from stay (GLF-5) with respect to Magnolia Group's real property located at
9 Lewis Lane in Tulare, CA. A foreclosure sale is scheduled for the Lewis Lane property
10 on June 30, 2020. Magnolia Group requests that the Court dismiss its bankruptcy case at
11 its status conference on July 1, 2020.

12 **B. Debtor Requests Dismissal of its Bankruptcy Case at the July 1, 2020**
13 **Chapter 11 Status Conference.**

14 Debtor's best shot at success in chapter 11 was through a global settlement
15 involving The Magnolia Group, Inc. and its primary creditor, ABLP Properties Visalia,
16 LLC. Though Debtor worked mightily on that global settlement, it did not work out.
17 The amount claimed owing by ABLP Properties Visalia, LLC is too big to be worked
18 out through a plan and have the Debtor remain viable. Debtor does not own the real
19 property where it operates, and this makes reorganization unattainable. Debtor is instead
20 prepared to take its chances outside of bankruptcy as the only party licensed to operate
21 Magnolia Park AL. Appointment of a chapter 11 trustee would serve no purpose
22 because there is no realistic possibility of reorganization within a reasonable time
23 regardless who is in charge. Likewise, conversion to chapter 7 would not be in the best
24 interests of creditors as creditors will only be paid through an operating business. It's
25 time for Debtor to exit chapter 11.

26 In light of the foregoing, Debtor requests that the Court dismiss its chapter 11
27 case pursuant to its Order re Chapter 11 Status Conference and Notice Thereof filed
28 1/9/20 (Doc 17) by which the Court states its ability to dismiss a case *sua sponte*.

1 Dated: June 19, 2020

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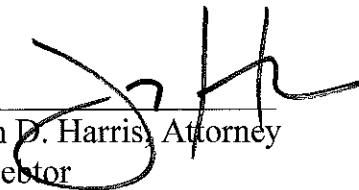
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By: 
Justin D. Harris, Attorney
for Debtor